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American Banker

The Only Daily Banking Newspaper

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Regulators Draw Guidelines for New-Account Ads

By JAY ROSENSTEIN

WASHINGTON — The Federal Reserve Board has issued guidelines to member banks targeted at improper or insufficient information given consumers about the new money market account and the Super Now.

The Comptroller of the Currency also is developing advertising guidelines that could be released within the next few weeks, according to a spokesperson there.

And a Federal Deposit Insurance Corp. spokesman interviewed Friday said that while there is no specific proposal being considered at this point, "it is being generally considered."

In recent months there have been complaints from consumers and bank competitors that some of the advertising of the accounts provides false, misleading, or inadequate information.

The Investment Company Institute, the national trade association for the mutual fund industry, last week sent a letter urging the Fed and the other

➤➤ Advertising: Page 11

INSIDE

Stockholder Meeting Dates.....8

Largest U.S. Banks by State.....14

Sue Taha of Security Pacific
Sue Taha has an unusual background for the corporate world. But she is a highly successful senior VP in charge of communications and press relations at Security Pacific Bank.....2

Thrifts Launching Lending Syndicate
Thirty-five thrift institutions are contributing start-up funds to form a commercial lending organization under which participating thrifts can share in the credits.....3

Banking — A Family Affair?
The tradition of bank presidencies being passed on from father to son is changing: BANKING TRENDS.....4

A Critic of the Status Quo
Bob Amos, deputy chief general manager of Lloyds Bank of London, is a critic of the status quo in retail banking: PROFILE.....5

Rights Activists Unrelenting
Far from relaxing in their efforts, church-affiliated stockholders are still using the proxy to try and effect corporate change involving loans to such nations as South Africa.....8

Mergers, Acquisitions.....3

Futures Weekly.....7

Bank Stocks.....9

The Markets.....11

Crossword Solution.....14

Traditional Correspondent Ties Under Attack

Industry Looks at New Services Such as Brokerage, Data Processing

By ROBERT E. NORTON

NEW ORLEANS — Bankers who do business with other bankers are worried.

The bread-and-butter businesses of correspondent bankers — check clearing and participation lending — are under attacks so strong that their future is being questioned.

The outlook for the check-clearing business is clouded by powerful new competition from the Federal Reserve System, while participation lending is seen as a business in which risks will escalate as deregulation proceeds — with the recent spate of major bank failures serving as a warning to the unwary.

But bankers are looking at new ways to utilize their carefully wrought webs of correspondent relationships. Given vision and good planning, they feel the correspondent system is a natural delivery vehicle for such new services as data processing, insurance, and securities brokerage.

The most immediate concern of the bankers in attendance at the American Bankers Association's credit and correspondent banking conference here last week is the changing role of the Federal Reserve in the nation's payment system. Charged by the Depository Institutions Deregulation and Monetary Control Act of 1980 to price its check-clearing and other item-processing services realistically, the Federal Reserve Banks have responded with aggressive new fee schedules and procedures.

Correspondent bankers feel the Fed is running amuck — by accident or design — and is threatening through what they see as predatory pricing and unfair competitive practices to put them out of a business in which they have historically played a major role.

Fed officials say this is simply not true and call for further

➤➤ Correspondent: Page 11

SEC Asks for Big Increase in Staff If Banks Get More Securities Powers

Sees Need for Hundreds More Employees to Enforce Laws

By DAVID O. TYSON

NEW YORK — The Securities and Exchange Commission says it will need hundreds more staff members to enforce the securities laws if banks get the power to sell mutual funds and underwrite revenue bonds.

In its budget authorization request to Congress, the SEC says pending amendments to the Glass-Steagall Act would increase significantly the number of registered broker-dealers, investment advisers and investment companies.

"If 10% of the nation's 14,000 banks were to take advantage of such legislation," it says, "there would be a dramatic increase in the number of entities subject to SEC regulation: a 21% increase in the number of broker-dealers, an 82% increase in the number of investment companies, and a 33% increase in the number of investment advisers."

To cope with the added burden, the SEC asks authorization to increase its staff by 201 people in the fiscal year ending Sept. 30, 1984; by another 152 in fiscal 1985, and by 122 in fiscal 1986.

The Treasury Department is redrafting an Administration bill with the Glass-Steagall amendments. The

➤➤ SEC: Page 16

Kasten Calls Withholding Delay 'Tactical Retreat'

By ANDREW ALBERT

WASHINGTON — Bankers view the delay in the tax withholding debate as costly, but Sen. Robert W. Kasten Jr. insists the move was a "tactical retreat" that just could not be avoided.

Under intense pressure from the Senate leadership of his own party, the Wisconsin Republican finally agreed last week to a delay of one month in his struggle to block withholding on interest and dividend income.

In exchange for withdrawing his repealer amendment from the emergency jobs bill, Mr. Kasten was guaranteed an opportunity to attach his rider to pend-

➤➤ Withholding: Page 14

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Largest U.S. Commercial Banks by States

In order of December 31, 1982, Compared with December 31, 1981

Compilation of the December 31, 1982 deposit-size rankings of the largest commercial banks with deposits of $10 million or more in the states of Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming are published below with comparable data for December 31, 1981.

This completes American Banker's listing of the 10 largest banks with $10 million or more in each of the 50 states, District of Columbia and Puerto Rico.

UTAH

12/31/82		Deposits Dec. 31, 1982*	Deposits Dec. 31, 1981*	Rank 12/31/81	Gain
1	First Security Bank of Utah NA, Ogden	1,889,545,000	1,725,977,000	1	
2	Zions First NB, Salt Lake City	1,634,507,000	1,493,906,000	2	
3	First Interst. Bk of Utah, Salt Lake City	700,513,931	604,329,771	3	
4	Commercial Security Bank, Ogden	463,303,999	455,650,951	4	
5	Valley Bank & Trust Co., Salt Lake City	386,723,000	341,949,000	5	
6	Continental B & T Co., Salt Lake City	231,841,000	215,093,000	6	
7	Tracy-Collins B & T Co., Salt Lake City	226,560,701	189,238,391	7	
8	Bank of Utah, Ogden	135,077,309	132,018,000	8	
9	First Security State Bank, Salt Lake City	87,058,000	80,225,000	9	
10	Citizens Bank, Ogden	67,802,000	68,412,000	10	

VERMONT

1	Chittenden Trust Co., Burlington	489,966,000	372,103,000	1	
2	First Vermont Bk & Tr Co., Brattleboro	289,539,080	298,720,136	2	
3	Howard Bank, Burlington	289,472,625	283,501,134	3	
4	Vermont National Bank, Brattleboro	285,238,000	256,800,164	4	
5	Merchants Bank, Burlington	213,446,000	198,520,453	5	
6	Franklin-Lamoille Bank, St. Albans	123,375,757	111,452,591	6	
7	Proctor Bank, Rutland	94,317,524	92,862,062	7	
8	Granite Savings Bank & Trust Co., Barre	72,169,609	69,543,530	8	
9	First National Bank, Springfield	60,528,000	60,907,000	9	
10	Community National Bank, Derby	46,232,701	42,428,369	10	

VIRGINIA

1	United Virginia Bank, Richmond	3,518,611,000	2,974,673,000	1	
2	Virginia National Bank, Norfolk	3,112,906,000	2,491,752,000	2	
3	Bank of Virginia, Richmond	2,581,550,000	1,932,917,901	4	+1
4	First & Merchants Nat'l Bank, Richmond	2,193,881,000	1,984,933,000	3	
5	First National Exchange Bank, Roanoke	1,293,329,881	1,074,193,037	5	
6	First American Bk of Virginia, McLean	938,885,000	821,680,315	6	
7	First Virginia Bank, Falls Church	773,683,916	664,006,561	7	
8	Central Fidelity Bank NA, Lynchburg	712,651,000	613,011,000	8	
9	Central Fidelity Bank NA, Richmond	670,740,000	431,331,000	9	
10	Central Fidelity Bank, Norfolk	405,455,000	319,296,000	10	

WASHINGTON

1	Seattle-First National Bank	8,215,778,000	8,131,220,000	1	
2	Rainier National Bank, Seattle	4,261,717,794	4,319,135,000	2	
3	First Interstate Bank of Wash. NA, Seattle	2,037,411,890	1,419,339,225	3	
4	Peoples NB, Seattle	1,494,494,000	1,302,582,000	4	
5	Old National Bank, Spokane	1,084,920,016	1,037,994,606	5	
6	Puget Sound National Bank, Tacoma	872,674,000	778,854,000	6	
7	Seattle Trust & Savings Bank	495,644,044	486,755,006	7	
8	Washington Trust Bank, Spokane	330,271,000	283,496,403	8	
9	Olympic Bank, Everett	269,301,000	258,543,000	9	
10	First Independent Bank, Vancouver	192,060,680	175,174,329	10	

WEST VIRGINIA

1	Kanawha Valley Bank NA, Charleston	334,988,793	341,083,000	1	
2	Charleston National Bank	295,420,000	253,575,997	2	
3	Union National Bank, Clarksburg	205,714,520	185,439,000	3	
4	Parkersburg National Bank	188,261,000	149,936,000	6	+2
5	First Huntington National Bank	170,521,000	153,396,000	5	
6	Kanawha Banking & Tr Co. NA, Charleston	167,447,488	158,442,402	4	
7	Beckley National Bank	148,471,746	142,298,609	8	+1
8	Bank of Raleigh, Beckley	147,387,586	134,109,991	9	+1
9	Wheeling Dollar Savings & Trust Co.	140,559,000	128,672,000	10	+1
10	First National Bank, Morgantown	138,087,996	124,953,340	13	+3

WISCONSIN

1	First Wisconsin National Bank, Milwaukee	2,371,073,000	2,396,727,000	1	
2	Marine Bank NA, Milwaukee	815,075,000	605,227,000	3	+1
3	M & I Marshall & Ilsley Bank, Milwaukee	788,307,000	773,004,000	2	
4	First Bank NA, Milwaukee	472,988,000	476,752,000	4	
5	First Wisconsin National Bank, Madison	335,621,000	302,188,000	5	
6	Heritage Bank, Milwaukee	310,347,000	49,973,000	89	+83
7	Kellogg-Citizens National Bank, Green Bay	246,016,933	252,333,732	6	
8	Citizens Bank, Sheboygan	212,570,435	202,964,088	7	
9	First National Bank, Appleton	195,618,823	166,789,000	9	
10	First American National Bank, Wausau	171,648,241	187,371,000	8	

WYOMING

1	First Interstate Bank of Casper NA	263,877,682	245,760,504	1	
2	Wyoming National Bank, Casper	245,756,391	245,723,438	2	
3	Stockmens Bank & Trust Co., Gillette	153,239,000	149,504,000	3	
4	Rock Spring National Bank	102,692,646	99,290,899	4	
5	First Nat'l Bank & Trust Co., Cheyenne	98,636,029	98,556,404	5	
6	American National Bank, Cheyenne	94,850,708	82,431,314	6	
7	First Interstate Bank of Laramie NA	92,146,861	80,212,936	7	
8	First Interstate Bank of Riverton NA	80,826,096	80,016,114	8	
9	Bank of Commerce, Sheridan	79,573,689	75,193,520	9	
10	First National Bank, Powell	67,472,353	60,242,305	11	+1

*—Data for 12/31/82 may not be comparable with 12/31/81 because of mergers, etc.

Vermont Bankers Name Withey

MONTPELIER, Vt. — Robert A. Withey has been appointed executive vice president, clerk, and treasurer of the Vermont Bankers Association, effective May 1.

He succeeds Dean T. Rowden, who is leaving the association after three years to pursue other business interests.

Mr. Withey served nine and one-half years as Vermont's commissioner of education.

Most recently, he spent two years as the executive director of the Association of Vermont Independent Colleges. ■

Withholding . . .

Continued from page 1

ing world trade measure which is now set for action on April 15.

A key strategist on Mr. Kasten's staff said the senator "was sorry" that some financial institutions considered the delay to be a setback.

Regardless of the outlook for repeal, the delay forces many banks and thrift institutions to invest in expensive data system changes so that they can comply with the new withholding laws if they begin as scheduled on July 1.

"Some [institutions] have already laid out the money" for system changes, according to a spokesman for the American Bankers Association. "And every day means more money is committed" to withholding.

He said bank customers, rather than the institutions themselves, have become the principal reason for the tax-collection laws.

"We doing the best that we can" to quickly repeal the withholding laws adopted last year, said Mr. Kasten's primary aide on the issue. "But the delay is not Kasten's fault, it's the leadership's fault," the staffer said.

Nevertheless, she added that the Senator "declared victory" for two reasons:

- First, supporters of repeal can no longer be criticized for jeopardizing the emergency jobs measure, which was urgently needed by 27 states where federal unemployment benefits were expiring. The jobs measure was, among other things, designed to extend those benefits.
- Second, Mr. Kasten proved that a majority of the 100member Senate wants to repeal the tax-collection law. This evidence surfaced last week when 59 lawmakers voted in favor of cutting of Sen. Robert J. Dole's filibuster against the repealer. The vote fell one short of the needed 60 to defeat Mr. Dole, a Kansas Republican.

But the road to repeal still looks rocky.

Thanks to the deal struck last week, the banking industry's hopes for repeal in the Senate now depend heavily on a controversial trade reciprocity bill.

Formally called the International Trade and Investment Act, the administration-backed measure allows the United States to take retaliatory action against nations using protectionist measures to close their markets to American exports.

The trade reciprocity measure seems certain to encounter stiff opposition on Capitol Hill. Critics feel the measure encourages U.S. protectionism and may fuel the growing tensions throughout the world trading arena.

In the House, Rep. Norman E. D'Amours, D-N.H., still hopes the majority of the chamber will sign his discharge petition, which would circumvent conventional parlimentary rules to force a vote on his repealer.

Even if Mr. D'Amours can muster those signatures from colleagues in the House, however, no vote on the withholding issue is expected until April 11, at the earliest.

As in the Senate, House leaders will attempt to preserve withholding because of its revenue raising capacity.

And the threat of Presidential veto still looms large, even though Mr. Kasten backed off the administration's anti-recession jobs bill.

But it appears the banking lobbies do not intend to let themselves become discouraged by the threat of a Reagan veto while they're dealing with the more immediate problems in Congress.

As one veteran lobbyist put it: "If your going to get beat, that [a veto] is a class way to go." ■

NJ Bank Closed By Comptroller

WASHINGTON — The Comptroller of the Currency Friday declared Pan American National Bank, Union City, N.J., insolvent and appointed the Federal Deposit Insurance Corp. as receiver.

The bank was chartered as a national bank by the Comptroller on July 29, 1971. On March 17 the bank had assets of $34 million and deposits of $33 million.

During 1983, the bank experienced serious loan losses and other earnings problems. The bank was unable to remedy these problems, and its condition became critical. Losses finally exhausted the bank's capital funds resulting in its insolvency, a statement from the Comptroller's office said. ■

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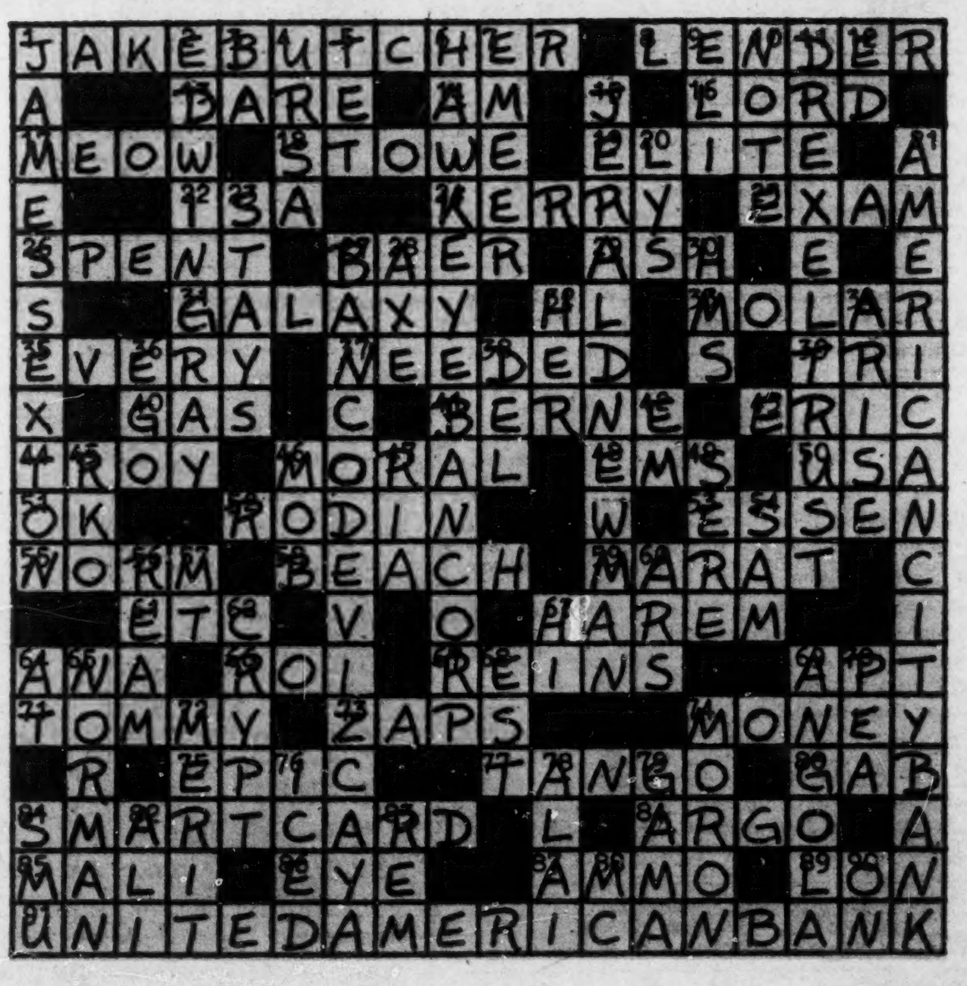

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Big Names Missing from Top 100 Earners

By L. MICHAEL CACACE

NEW YORK — Eleven of the top commercial banking companies which ranked among the top 100 earners in 1981 fell out of this elite group in 1982, reflecting the extreme volatility in earnings.

And the number of top banking institutions reporting losses for the entire year increased to eight in 1982, from five in 1981. There were also sizable declines in earnings for some of the institutions in the top 100 category in both years.

In general, the relatively poor earnings performance for these companies was attributable to the increases in the provision for poor asset quality and increased noninterest expenses at both wholesale and retail banking companies, especially in the fourth quarter of 1982.

These are some of the findings of the American Banker's annual survey of the top 100 earners among domestic bank holding companies and commercial banks published today.

Among the 11 firms that dropped out of the top 100 earners in 1982, Seafirst Corp., Seattle, had the sharpest decline. Net operating income fell 215% from $78.5 million in 1981, when it ranked 23d in the nation in earnings, to a loss of $90.2 million in 1982. "Large provisions for loan losses charged to earnings, primarily associated with energy loans, were the major cause of the results," according to the company.

From 1980 to 1981, only seven companies dropped out of the top

➳ Earners: Page 13

Citicorp Plans Bank In Maine

Full-Service Unit to Be Firm's First Outside NY

By LAURA L. MULCAHY

BOSTON — Citicorp, New York, the nation's largest bank holding company, is seeking regulatory approval to charter a new national bank in Portland, Maine.

The move is possible because of reciprocal interstate banking laws existing in both New York State and Maine.

Hans H. Angermueller, vice chairman of Citicorp, said Friday that

Conn. Interstate Bill Advances, Page 2
Citicorp to Offer Electronic Billing, Page 2

the bank holding compaany will immediately apply to the Comptroller of the Currency and to the Federal Reserve Board for approval. He said he does not expect any objections to the de novo bank from local bankers or federal regulators.

Mr. Angermueller also said the Maine bank will be capitalized at "several million dollars." Citicorp hopes to have it open later this year.

The new unit, probably to be called Citibank Maine NA, would be the first full-service bank Citicorp has ever set up in this country outside of New York State. In the past few years, it has established banks in South Dakota and Delaware, but these can only supply certain limited services.

Federal laws generally limit banking companies' full-service operations to a single state. However, states have the

➳ Citicorp: Page 23

Boston Bank Leads Amexco Charge

Plans Push on Deposits, Personal Loans to Affluent

By SCOTT McMURRAY

BOSTON — For more than 20 months American Express Co. executives have quietly been shaping their next in a string of competitive sorties onto U.S. bankers' turf: accepting deposits and offering upscale personal loans.

The latest charge on the domestic front is getting a full-fledged launch this spring. And leading it is an unlikely aggressor — the historically stodgy, one-office Boston Safe Deposit and Trust Co.

Boston Safe Deposit and Trust has a Massachusetts state charter, and its deposits are federally insured, but it is prohibited from making commercial loans. It is a subsidiary of the Boston Co. Inc., which then-named Shearson Loeb Rhoades Inc. agreed to acquire for $47 million in February of 1981. That summer, Shearson in turn agreed to be taken over by American Express for $930 million.

Since its inception in 1875, the Boston Safe Deposit and Trust has been taking deposits and making personal loans, but as of 1981 it had only grown to slightly more than $200 million in assets.

➳ Boston: Page 16

Corporations Get Electronic Payment System

By ROBERT M. GARSSON

NEW YORK — Consumers have been involved in electronic payments for years, receiving Social Security benefits or paying insurance premiums through the nation's automated clearing houses.

Starting June 1, corporate America will join the electronic age through a new NACHA program designed to support electronic corporate payments to other companies.

The program, which NACHA — the National Automated Clearing House Assocation — calls its corporate trade payments program, will begin with a group of five to 10 companies originating payments to as many as 50 other receiving companies.

Although the technology has not

➳ NACHA: Page 22

INSIDE

Merrill, Goldman Rated Tops
Major institutional investors rate Merrill Lynch and Goldman Sachs as their first and second choices for equity research and execution services, according to a Greenwich Research survey.....3

Independents Rap Dole
Republican Sen. Robert Dole, and his pro-withholding stand, came under heavy crticism at the annual convention of the Independent Bankers Association of America.....3

FHLBB Budget May Be Reduced
Richard T. Pratt said cuts in the FHLBB's examination staff and better health for the industry could enable the agency to operate on less money.....3

Bank Quality and Cash Management
While banking conventions and group meetings now stress other topics, bank quality is more important than ever to corporate cash managers: BANKING TRENDS.....4

Deregulation After Reg Q
Besides deregulation of deposit interest rates, little has been done to increase the allowable activities of banking companies or to remove geographic limits: COMMENT.....4

Weekly Fed Statistics.....16

Bank Stocks.....18

Executive Changes.....19

Crossword Solution.....23

Top 100 Earners Table.....12

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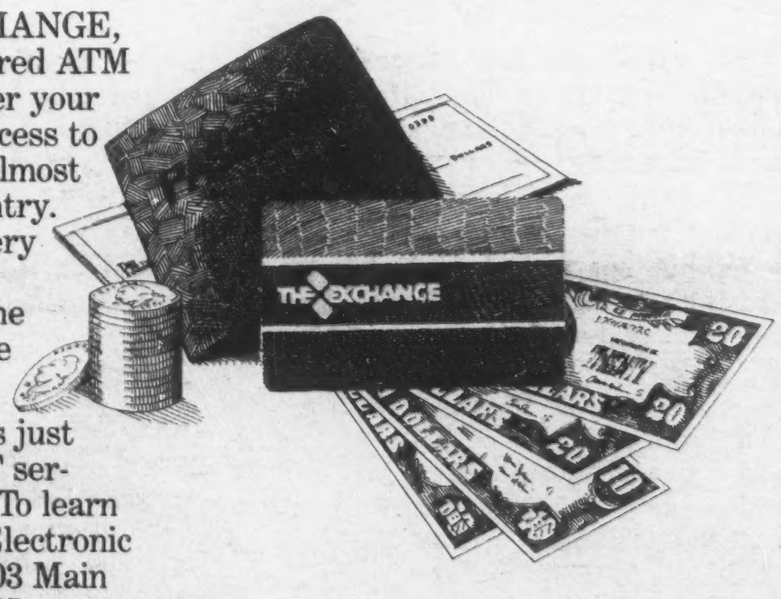

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